



To the Mayor and Members of the City Council

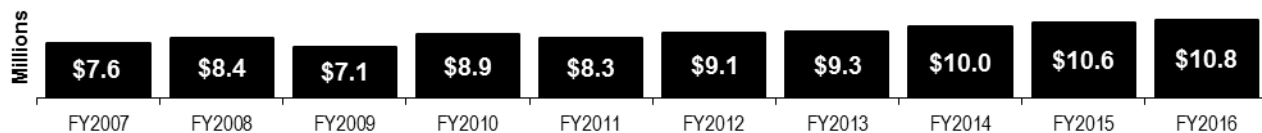
September 20, 2016

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SUBJECT: JULY 2016 – SALES TAX UPDATE

Sales tax revenue represents approximately twenty-two percent (22%) of the City's General Fund anticipated revenue in Fiscal Year 2016. It is the second largest revenue source, with property tax being the largest. In addition, sales tax revenue represents the largest revenue source in the Crime Control and Prevention District Fund. Staff is committed to providing regular updates on this important and sometimes volatile revenue source. The Texas Comptroller's Office posted July 2016 (Fiscal Year 2016, Period 10) collection results on September 14th. Actual receipts are dependent upon the timeliness and accuracy of sales tax payers' returns. This report provides Fort Worth's sales tax collection compared to last year and the impact on the current year's budget.

JULY NET SALES TAX COLLECTIONS (10-YEAR HISTORY)



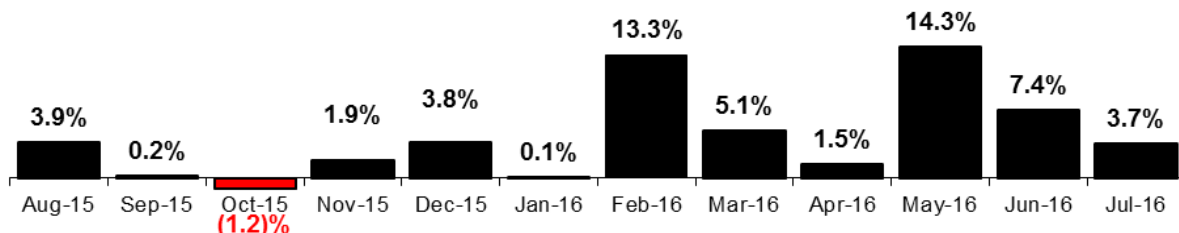
The City's net sales tax collection is up **\$244,005** or **2.3%**, compared to the same month last year. As depicted in the table below, the City experienced **\$387,227** or a **3.7%** increase when compared to last year's collections for the same month. Current period collections include only transactions that occurred within the month, so this number reflects pure economic activity.

COLLECTION DETAIL FOR CITY SALES TAX

	July 15	July 16	Variance (\$)	Variance (%)
Current Period Collections	\$10,347,699	\$10,734,926	\$387,227	3.7%
Other Collections	315,964	134,875	(181,089)	(57.3%)
Audit Collections	75,578	98,836	23,258	30.8%
Service Fee	(214,785)	(219,373)	(4,588)	(2.1%)
Retainage	37,828	57,025	19,197	50.7%
Net Collections	\$10,562,285	\$10,806,290	\$244,005	2.3%

CURRENT PERIOD COLLECTIONS

Change Compared to Same Month in Prior Year





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The City's Sales Tax collections year-to-date are approximately 102% of the budget year-to-date, and are slightly higher than 104% of the year-to-date total for the same period last year.

CITY OF FORT WORTH YTD NET COLLECTIONS COMPARISON

	Budget as of Period 10	Current Receipts Through Period 10	FY2015 Receipts Through Period 10
CITY OF FORT WORTH			
GENERAL FUND	\$111,388,421	\$113,842,491	\$109,389,829
CRIME CONTROL AND PREVENTION DISTRICT	53,442,752	53,819,090	51,203,397
TOTAL	\$164,831,173	\$167,661,580	\$160,593,226

CITY OF FORT WORTH FISCAL YEAR COMPARISON – FY2016

	Adopted Budget	Amended Budget	Fiscal Year Projections	Projected Variance to Amended (\$)	(%)
CITY OF FORT WORTH					
GENERAL FUND	\$135,065,427	\$135,065,427	\$137,273,895	\$2,208,468	1.6%
CRIME CONTROL AND PREVENTION DISTRICT	\$64,802,679	\$64,802,679	\$65,120,392	\$317,713	0.5%
FORT WORTH TRANSPORTATION AUTHORITY	\$67,857,000	\$67,857,000	\$68,505,735	\$648,735	1.0%

The City anticipates collecting **\$137,273,895** in the General Fund by fiscal year end, exceeding original estimates in the FY2016 adopted budget by 1.6%. Also, the City anticipates collecting **\$65,120,392** for CCPD by fiscal year end, exceeding original estimates by 0.5% and **\$68,505,735** for the T, exceeding original estimates by 1.0%. While these results are encouraging, staff recommends maintaining a conservative forecast as we continue to experience uncertainty with the national economy and potential audit adjustments from the Comptroller's Office.

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The chart below indicates how current year sales tax collections in Fort Worth and other select cities in the state compare to FY2016 collections for the same period.

**CITIES COMPARISON
FY2016 vs. FY2015**

City	1st Quarter	2nd Quarter	3rd Quarter	July	YTD
GARLAND	5.7%	33.2%	11.4%	12.5%	16.0%
MCKINNEY	6.4%	4.0%	10.5%	10.1%	7.3%
GRAND PRAIRIE	6.7%	13.7%	5.6%	(2.1%)	7.3%
AUSTIN	4.3%	4.6%	7.6%	(0.7%)	4.9%
ARLINGTON	3.7%	4.2%	5.6%	1.8%	4.3%
FORT WORTH	2.0%	2.7%	8.2%	2.3%	4.1%
IRVING	1.8%	(6.4%)	19.1%	(6.1%)	3.5%
DALLAS	2.2%	5.1%	2.6%	5.4%	3.5%
EL PASO	0.3%	3.2%	2.1%	0.4%	1.7%
SAN ANTONIO	2.6%	2.1%	1.5%	(3.4%)	1.5%
PLANO	(3.5%)	(4.0%)	7.8%	9.1%	0.7%
HOUSTON	(5.7%)	(4.8%)	(3.6%)	(4.5%)	(4.7%)
FRISCO	(6.2%)	(2.6%)	(2.8%)	(16.1%)	(5.2%)
STATE TOTAL	(3.3%)	(3.1%)	(1.8%)	(1.4%)	-2.6%

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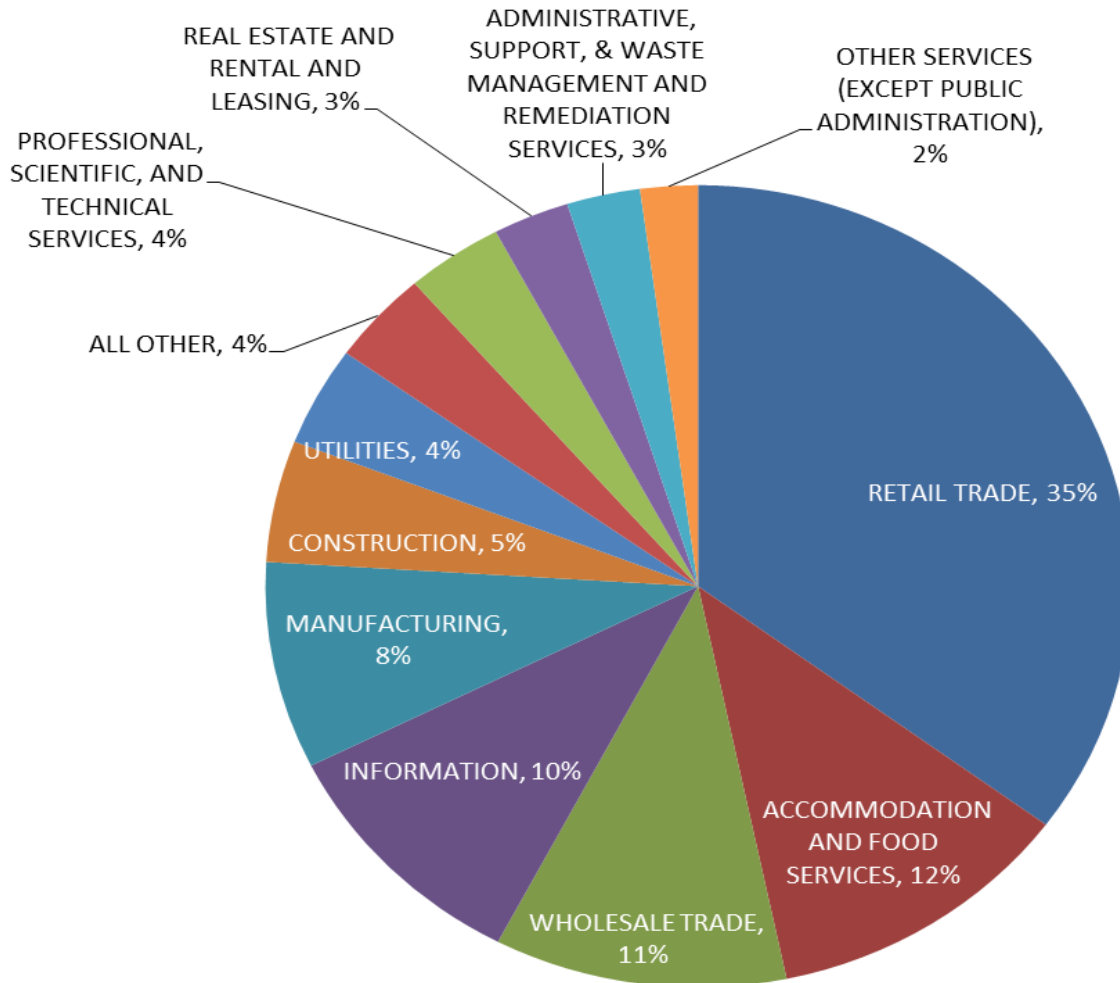
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SALES TAX REVENUE BY INDUSTRY THROUGH PERIOD 8



There are five industries that comprise the largest portion (75%) of the City's sales tax revenue in FY2016 through period 9. The reporting by industry is released later and period 10 data is currently not available.

Budget staff is currently preparing comparative historical trend analysis. This information will be shared in future sales tax update IR's.

If you have any questions, please call Terry Hanson, Assistant Director of Budget and Analysis, at 817-392-7934.

David Cooke
City Manager